



AUSTRALIAN STATISTICS ADVISORY COUNCIL

Annual Report
1979-80



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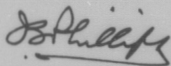
Annual Report

1979-80

The Honourable John Howard, M.P.
Treasurer of the Commonwealth of Australia

I have pleasure in submitting the Report of the Australian Statistics Advisory Council for the year ended 30 June 1980.

The Report outlines the work undertaken by the Council and is submitted to you for presentation to Parliament under section 24 (2) of the *Australian Bureau of Statistics Act* 1975.

A handwritten signature in dark ink, appearing to read 'J.G. Phillips', with a horizontal line drawn underneath the name.

J.G. PHILLIPS
Chairman

23 July 1980

The Council again wishes to acknowledge the great help received from the Statistician and his officers in providing detailed papers and other information, and for the courtesy and efficiency with which Secretariat and other services have been made available.

MEMBERSHIP OF COUNCIL, 30 JUNE 1980

Sir John Phillips	Chairman
Mr R. J. Cameron	Australian Statistician
Mr G. D. Allen (a)	Director, Australian Industries Development Association
Mrs Y. J. Bain (a)	Treasurer, National Council of Women of Australia
Mr W. Boetcher (a)	General President, The Farmers' Union of Western Australia (Inc.)
Mr R. G. Bowe	Director, Policy and Research Division, Treasury Department, Western Australia
Dr L. A. Brodribb	Managing Director, M. Brodribb Pty Ltd
Mr A. S. Collier	First Assistant Director-General, Department of Social Security
Mr D. J. Delaney	First Assistant Secretary, Premier's Department, Victoria
Prof. J. McB. Grant	Professor of Applied Economics, University of Tasmania
Prof. M.S.T. Hobbs	Associate Professor of Social and Preventive Medicine, University of Western Australia
Dr M. S. Keating	First Assistant Secretary, Department of the Prime Minister and Cabinet
Mr J. O. Llewellyn (a)	Executive Director, Australian Finance Conference
Mr J. E. McDonnell	Under Secretary, Department of Labour Relations, Queensland
Mr P. O. Miller (a)	Partner, Miller, Milston and Ferris
Mr J. D. Moore (a)	First Assistant Secretary, Department of the Treasury
Dr W. E. Norton	Principal Research Economist, Reserve Bank of Australia
Mr N. Oakes	Under Secretary and Comptroller of Accounts, The Treasury, New South Wales
Mr W. J. Orme	Executive Member, New South Wales Privacy Committee
Mr R. N. Overall (b)	Research Officer, Australian Council of Trade Unions
Mr R. J. Rechner	Corporate Administration Director, The Myer Emporium Ltd
Mr A. M. Smith	Director, Economics Division, Department of Trade and Industry, South Australia

(a) appointed 14 January 1980, (b) appointed 10 July 1979,

Changes in membership since 30 June 1979

July 1979

Mr Overall appointed to succeed Ms J. I. Marsh

January 1980

Mr Allen appointed to succeed Mr W. J. Henderson
Mr Boetcher appointed to succeed Sir Samuel Burston
Mr Moore appointed to succeed Mr J. V. Monaghan

Mrs Bain, Mr Llewellyn and Mr Miller appointed as additional members

Note: In this Report, after the first reference, the Australian Bureau of Statistics is referred to as the ABS or the Bureau, and the Australian Statistics Advisory Council as ASAC or the Council.

INTRODUCTION

The Australian Statistics Advisory Council was established by the *Australian Bureau of Statistics Act 1975*.

This is the fourth annual report of the Council, and is made in accordance with section 24(2) of the Act which provides that: 'the Council shall, as soon as practicable after 30 June in each year, prepare and submit to the Minister, for presentation to the Parliament, a report relating to matters connected with the operation of this Act'.

Under section 18(1) of the *Australian Bureau of Statistics Act 1975* the Council is to advise the Minister and the Statistician on:

- (a) the improvement, extension and co-ordination of statistical services provided for public purposes in Australia;
- (b) annual and longer term priorities and programs of work that should be adopted in relation to major aspects of the provision of those statistical services; and
- (c) any other matters relating generally to those statistical services.'

The Act enables the Minister or the Statistician to seek the advice of the Council on these matters. The Council also offers advice on these matters to the Minister or the Statistician when it considers it appropriate to do so.

SUMMARY OF THE YEAR'S ACTIVITIES

Council meetings

During 1979-80 the Council held three meetings in Canberra; on 11-12 July 1979, 5 November 1979 and 20 March 1980. Council considered a wide range of topics at these meetings, including preparations for the 1981 Census of Population and Housing, the ABS work program, and co-ordination of statistical services. This Report refers to discussions on these topics and other matters considered by Council.

Preparations for 1981 Census of Population and Housing

Council discussed preparations for the 1981 Census at each of the meetings held during the year. These discussions continued the exchange of ideas on this topic at previous Council meetings.

Council agrees with the Bureau's intentions to minimise the response burden and also the cost of the 1981 Census by significantly reducing the number of proposed questions. Council examined each topic proposed by the Statistician for inclusion in the Census, together with others requested by major users but which, for a variety of reasons, the Statistician had not recommended for inclusion. The Government accepted Council's recommendation that two additional questions, on 'place of usual residence one year ago' and 'languages regularly used' be included in view of their likely value to users of census statistics.

In examining the detailed cost estimates of the Census, Council noted that the Statistician was seeking to restrict costs to the lowest practicable level. However the Council strongly believes that cost considerations should not prevent the full processing of all census returns. The unusual circumstances leading to the decision to process only 50% of the 1976 forms are recognised. However, Council expressed concern to the Treasurer at the likely detrimental effect on the completeness and accuracy of household responses in the absence of an assurance by the Government that the 1981 Census would be processed in full. Council welcomes the inclusion of such an assurance in the Treasurer's statement to Parliament on 20 November 1979.

Council members recalled that at the time of the 1976 Census there was criticism of the number of questions asked and of some privacy aspects, which increased the difficulties of achieving a satisfactory level and quality of response. The Council considers that steps should be taken to avoid as far as possible a similar situation in 1981 and is pleased that the Government has announced that a substantial public awareness campaign will be conducted prior to the Census in an attempt to achieve public co-operation and a high level and quality of response. Council is also pleased to note that the ABS intends to make envelopes available on request for the return of personal forms of individual household members.

Council also discussed technical aspects of the 1981 Census, including the methodology to be used in adjusting small area data to compensate for under-enumeration and partial response; in estimating population at the local government area level; and in estimating the number of Australian residents overseas at the time of the Census.

The Council views the Census as one of the most important activities of the Bureau. It provides information of vital concern to Commonwealth, State and local government agencies, to the business community, research bodies and to the public generally. For this reason, the Council strongly urged the Government to make available adequate resources for the 1981 Census.

ABS work program

As in 1978-79, Council was able to consider a draft of the ABS forward work program in time to enable it to offer advice to the Treasurer in advance of his consideration of the Statistician's proposals.

Council continues to be favourably impressed by the careful and purposeful approach by the Bureau in its forward planning. This involves a continuing review of existing collections in the light of the objectives they serve and the resources they require, and the comparison of these with the corresponding objectives and resources involved in undertaking new collections which have a high priority in terms of statistical needs.

Council was informed that the ABS forward work program assumed negligible growth in resources except for major projects such as the Retail Census and the 1981 Population Census, for which specific staff ceiling approvals of limited duration would be sought from the Public Service Board. This meant that other new projects, such as the development of a Consumer Price Index for Darwin and an Import Price Index, and the task of redesigning statistical processing systems as a result of computer re-equipment, could be included in the work program only by the redeployment of existing resources.

Council noted that the savings achieved as a result of the Bureau's continuing review of current collections were insufficient to provide resources for the Household Expenditure Survey (HES) previously planned for 1983-84. Council members regretted the exclusion of the Survey from the current program, but noted that the ABS had established a project team to review the requirements, scope and methodology of the HES and to examine options for its restoration to the forward work program at another time. This issue is to be considered further by ASAC in 1980-81.

While mindful of the Government's policy to restrain the growth of public sector expenditure, the Council is conscious of the extent to which the ABS is unable, because of resource constraints, to meet requests for statistics directly relevant to many areas of substantial governmental and community concern. Council also recognises that, for the same reason, the Bureau is experiencing difficulty in maintaining the accuracy and timeliness of present collections. The Council noted that several recent Committees of Inquiry, such as those chaired by Sir John Crawford, Professor Sir Bruce Williams and Senator Peter Baume, had reported serious deficiencies in the availability of statistics. The Council considers that there would be substantial community gains from a modest increase in the resources available to the Bureau to enable it to develop programs to reduce the extent of such deficiencies.

Review of the Consumer Price Index (CPI)

Council was informed that the major tasks in a current review of the CPI included examination of the weighting in the index, the list of items included and certain methodological aspects.

Council discussed the merits of more frequent reviews or occasional partial reviews as possible means of keeping the weights of the CPI up to date in periods of high inflation. However, the Council was mindful of the resource implications of more frequent reviews and was advised of the dangers in making piecemeal changes to a fixed weight index.

Council is to be informed of developments in the review of the Consumer Price Index, and will be discussing them during the coming year.

National accounts statistics

The Council discussed the cost and feasibility of producing State domestic production accounts. The interest of State Governments in estimates of income and expenditure aggregates on a State basis had been noted earlier. Subsequently the States had prepared submissions further identifying their needs in this area. Council recognises that there are considerable conceptual and resource problems in producing State domestic production accounts and that there is already a significant amount of published and unpublished data at the State level. Council considers that the dialogue recently started between the Bureau and relevant State Government departments should be continued.

Council was informed that a specialist user advisory group had been established to provide advice to the ABS on the national accounts. One of the first tasks of the group would be to consider the reliability of the quarterly national accounts.

Health/welfare statistics

The Council noted that as part of the Commonwealth Government's response to the Baume Report, the Council would be asked to report on the appropriateness of the share

of ABS resources being allocated to health/welfare statistics. Although the Baume Report had suggested that the ABS should increase the proportion of its budget spent on health/welfare statistics, Council doubted whether resources should be allocated to competing programs on a percentage basis before they were evaluated on their relative merits.

As a result of its examination of the work of the National Committee on Health and Vital Statistics (NCHVS), Council considered how the information needed for decisions on priorities within the health area could be obtained.

Council was informed that the NCHVS had made progress towards the identification of statistical needs relating to certain health topics and that it recognised the need for the development of a statistical framework, to aid consideration of priorities in the field of health statistics. Ideally, this should be undertaken in conjunction with the continuing analysis of information needed for decisions required in the short-term.

Council recognises that existing health and welfare data is inadequate for the needs of major users. This, of course, is true for a number of other areas of statistics as well. However, the development of a suitable framework for health and welfare statistics will be a complex exercise, and only limited improvement can be expected in the short-term.

The Council noted that some progress had been made as a result of the ABS developing concepts and standards for administrative by-product data, which forms a significant part of the total health and welfare statistical program.

During 1980-81 Council intends to consider detailed possible measures to improve the range and quality of health and welfare statistics.

Co-ordination of statistical services

Following Government consideration of the report of the Study Group on Structural Adjustment (The Crawford Report), the Treasurer was asked to prepare a submission on the scope for and authority required for further co-ordination of official statistics. Council's views on this matter were sought by the Statistician so that they could be taken into account during the development of this submission.

Council was informed that the Joint Parliamentary Committee of Public Accounts was investigating the collection and dissemination of statistical material by the Commonwealth and that a major aspect of this inquiry concerned the co-ordination of statistical activities.

Council identified the aims of co-ordination as the avoidance of duplication of statistical activities, the reduction in response burden and the application of informed judgments on the relative priorities of statistical collections.

At the request of Council the ABS conducted a survey of statistical data collections by Commonwealth departments and authorities. Many of these organisations at present undertake such collections, and Council considers that it would be desirable for arrangements to be established whereby consultation with the ABS would be required before new collections were undertaken by other Commonwealth bodies. In addition, these bodies should inform the ABS about their existing collections. Members of Council feel that it would not be appropriate for ASAC itself to become involved in such arrangements.

Statistics legislation

Council has continued to maintain its interest in progress on amendments to the legislation covering the activities of the ABS. Some specific aspects of the proposed changes were discussed at its meeting in March 1980. Council will monitor further developments during 1980-81.

